To Our Valued Clients:

Self-storage demand will keep pace with the accelerated development pipeline in 2017 as steady job creation spurs household formation and accelerating wage growth boosts consumption. The convergence of healthy demographics will remain a strong positive as millennials move out on their own, while the storage needs of downsizing baby boomers will rise. Balancing against the demand, an upswing in new supply will keep self-storage vacancy rates stable.

Investor activity will face a year of transition, with many dimensions of the market adapting to new dynamics. REITs have slowed their acquisition pace, opening opportunities for smaller funds and private investors. In addition, the rising interest rate climate has forced buyers to recalibrate their acquisition models, while sellers remain focused on peak pricing. This has opened an expectation gap in pricing as the market adjusts to the emerging climate. In addition, the murky tax and policy guidance from Capitol Hill has brought uncertainty to investors, who are reining in decisions. Once policy clarity emerges and investors realign their pricing expectations, transaction activity should revive.

Many unknowns assuredly await investors in the coming year, particularly as the new presidential administration finds its footing. However, elevated confidence levels, rising wages, accelerating consumption and positive demographics will balance against elevated development, policy uncertainty and rising interest rates. We hope this report provides useful insights that will help our clients navigate the shifting landscape. As you recalibrate your strategies, our professionals welcome the opportunity to assist you in meeting your real estate investment objectives.

Sincerely,

Joel Deis
National Director

John Chang
First Vice President | Research Services
# National Perspective

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National Self-Storage Performance Trends

- The self-storage industry downshifts from a pace of rampant expansion to a more moderate, sustainable growth trajectory. The underlying demand for storage continues to strengthen; however, mounting supply pressures are a growing concern. Though new supply has not been enough to overwhelm pent-up demand, construction may have a greater impact as we move further in the development cycle.

- Positive demographic trends and the strength of the multifamily market will stimulate further need for storage space. Strong population growth and rising incomes foster a broad and widening tenant pool. In addition, the retirement and downsizing of baby boomers plus the continued emergence of millennial households will sustain demand for self-storage.

- The incredible run of vacancy compression seen during the recovery is forecast to bottom out at a historical low this year. Moving forward, further tightening of U.S. vacancy will be problematic in the face of supply-side headwinds, which may lead to additional concession usage and a softening of revenue growth.

- Many of the self-storage REITs have tempered their growth expectations for the coming year as the benefit from improving vacancy moderates and rent growth moves from peak levels to more historically normal trends.

Investment Overview

- The underlying drivers of self-storage demand remain in place, sustaining investor interest. Buyers still want to acquire properties and expand portfolios, though they are being more cautious with their underwriting and showing resistance to elevated prices.

- While buyers are tempering their price assumptions, sellers’ expectations remain relatively high. This divide may widen moving forward as buyers lower their revenue growth projections and become increasingly unwilling to pay up for past performance.

- A pullback in purchasing from the major REITs will present opportunities for small to mid-size investors. Regional institutional groups with private equity may fill the void, exploring secondary markets and older properties.

- The rising interest rate climate will likely bring lower cash-on-cash returns and put upward pressure on cap rates. In addition, interest rate increases coupled with stricter lending requirements will raise the cost of acquisition financing, which may weigh on deal flow.

2017 Self-Storage Outlook

- **Vacancy:**
  The nationwide vacancy rate will remain near a historic low of 10.2 percent this year, held down by continued household growth and rising incomes. Heightened development activity remains the primary drag limiting further vacancy compression.

- **Climate-Controlled Rents:**
  Healthy underlying demand for storage space will continue to exert upward pressure on rental rates. This year, the average rental rate for climate-controlled space will rise 2.7 percent to $1.63 per square foot, building on a 1.6 percent increase in 2016.

- **Non-Climate-Controlled Rents:**
  Tight market conditions drive another year of steady rent growth in 2017. Following a 3.1 percent gain last year, the average asking rent for non-climate-controlled units will climb 3.0 percent to $1.31 per square foot in 2017.
U.S. Economic Overview

Expansion cycle extends on strength of labor market. The United States economy remained on solid footing entering 2017 as durable job gains and meaningful wage growth lifted consumer spending and confidence in the second half of 2016. The recent election undoubtedly injected uncertainty into the market as participants await the new administration’s rollout of fiscal, trade and regulatory policy. President Trump’s vow to reform taxes and increase infrastructure spending could provide a boost to an economy already in its eighth year of expansion, though much remains to be seen. Initial projections indicate a year of healthy economic growth with the workforce forecast to expand by a respectable 2.0 million to 2.5 million jobs. The further absorption of labor market slack will place the U.S. economy firmly at full employment, triggering an acceleration of wage growth. Rising incomes coupled with strong home price appreciation have left consumers feeling confident enough to continue leading the economy, setting the stage for annual GDP growth in the 2.5 percent range.

Evolving trends support space demand. The current economic landscape remains favorable to the self-storage industry. Rising consumer confidence and accumulated wage growth are encouraging the formation of new households and lifting retail sales, bolstering underlying storage demand. The strength of the multifamily market will also have a positive impact as rentals typically do not offer enough space to house all of a resident’s belongings. Developers nationwide are anticipated to deliver 371,000 apartments in 2017, the greatest supply addition since the mid-1980s. Though there are no signs of recession on the horizon, headwinds do exist. The normalization of monetary policy could prove difficult as the Federal Reserve aims to methodically raise interest rates while combating inflation. Other possible risk factors include the implementation of protectionist trade policies, which could slow global commerce.

Capital Markets

Debt liquidity high, though challenges emerging. Self-storage financing remains available as favorable long-term property fundamentals and a healthy national economy encourage lending. Though underlying demand for storage space is strong, originators may reassess credit risks in the face of growing headwinds. As a result, borrowers may encounter additional challenges in the coming year as mounting supply pressures, rising interest rates and higher risk-retention standards sow further caution. Lending has already begun softening for investors in development-heavy metros, except for experienced, well-capitalized sponsors. Additionally, financing for construction projects will likely pull back amid concerns of oversupply. Local and regional banks are the most likely source of development capital, focusing on quality projects in high-demand areas.

Multiple avenues available to obtain investment capital. Investors will continue to tap CMBS as the primary source of acquisition financing, allowing borrowers to lock in fixed-rate debt for a term of up to 10 years while interest rates remain low. These deals are typically underwritten to debt yield ratios of 8.5 to 9.0 percent, up from around 8.0 percent a year earlier. Much of the increase can be attributed to stricter risk-retention rules brought about by BASEL III and provisions in Dodd-Frank. As these requirements take hold, lower LTIs and greater debt coverage may soon become the norm. Moving forward, the new administration has strongly signaled that portions of Dodd-Frank may be amended or repealed. If successful, the changes could have a substantial impact on the CMBS market. For small to mid-size investors in secondary markets, Small Business Association loans may be a convenient source of capital for fixed- and floating-rate deals. SBA programs typically offer greater leverage and a lower minimum loan amount, and they are often favored by first-time buyers.
Midwest

**Occupancy improving as development ramps up elsewhere.** Consistent tenant demand coupled with a moderate development pipeline have left the region poised to achieve another year of solid, stable growth in 2017. Construction activity in the Midwest is steady but not overwhelming, making the region somewhat insulated from the wave of development impacting other parts of the country. Mitigated supply-side pressures coupled with a Midwestern economy that continues to strengthen will result in a favorable supply-demand balance, triggering a contraction in vacancy. This is especially felt in Chicago, where intense population density and a booming apartment market sustain underlying storage demand, encouraging a sharp drop in vacancy. Tightening in Chicago along with improvements across the Ohio and Missouri markets will help drive the regionwide vacancy down 40 basis points to 11.2 percent in 2017. Falling vacancy has yet to translate into significant rent gains with rates forecast to rise roughly 2.3 percent this year, lagging the national level. A notable exception is Indianapolis, which is on pace to record one of the strongest rent increases in the country. Weak construction activity and historically low vacancy is largely responsible for the tremendous revenue growth seen here in the past few years. Minneapolis is another market expected to post rent growth above the national level, though rising vacancy will moderate gains from last year’s healthy pace.

**Strong returns and steady operations maintain buyer interest.** Investors pursuing higher yields at lower price points will target Midwest self-storage assets in the coming year. These cash-flow-oriented buyers remain aggressive in their search for quality properties as pent-up demand in urban areas keeps regionwide fundamentals steady. Additionally, the Midwest is generally characterized as maintaining a slow and steady growth cycle, which may draw investors attracted to the region’s consistency. Though buyer demand remains elevated, investors are starting to push back on pricing amid expectations of rising interest rates. Sellers’ expectations, however, have yet to adjust, driving a further gap of bid/ask spreads.

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**Midwest Region Sales Highlights**

<table>
<thead>
<tr>
<th>Property Name</th>
<th>City, State</th>
<th>NRSE**</th>
<th>Sales Price</th>
<th>Price per Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lombard Self Storage Facility</td>
<td>Lombard, IL</td>
<td>60,000</td>
<td>$9,800,000</td>
<td>$163</td>
</tr>
<tr>
<td>Prospect Heights Self Storage Facility</td>
<td>Prospect Heights, IL</td>
<td>71,500</td>
<td>$9,000,000</td>
<td>$126</td>
</tr>
<tr>
<td>Mini Storage Depot</td>
<td>Walled Lake, MI</td>
<td>91,400</td>
<td>$11,300,000</td>
<td>$124</td>
</tr>
<tr>
<td>Space Place Storage</td>
<td>Broadview Heights, OH</td>
<td>42,175</td>
<td>$4,125,000</td>
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</tr>
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<td>A-AAA Key Mini Storage</td>
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<td>41,286</td>
<td>$3,370,000</td>
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</tr>
<tr>
<td>Anytime Storage - Lucas Avenue</td>
<td>Jeffersonville, IN</td>
<td>32,400</td>
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<tr>
<td>Antioch Storage</td>
<td>Antioch, IL</td>
<td>29,370</td>
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</tr>
<tr>
<td>Anytime Storage - Commerce Park</td>
<td>Sellersburg, IN</td>
<td>40,700</td>
<td>$2,600,000</td>
<td>$64</td>
</tr>
</tbody>
</table>

**Net Rentable Square Footage**
Sources: Marcus & Millichap Research Services; CoStar Group Inc.; REIS Services, LLC
Southwest

**Vacancy improvements strongest in Southwest region.** A steady pace of job creation and robust population growth are driving demand for self-storage space. As a result, Southwest vacancy will fall 50 basis points to a cycle low of 10.9 percent in 2017, recording the largest decline across all regions. The markets of San Antonio and Fort Worth will post the strongest vacancy improvements, driven by healthy income growth and rising household formation. In Dallas and Austin, the availability of higher-paying jobs will spark population growth among the 20- to 34-year-old age cohort, further benefiting regional vacancy. This age cohort typically favors apartments, where limited space to store belongings fuels absorption of self-storage units. These robust drivers of underlying storage demand have sparked a surge of development throughout most of Texas, particularly in the Dallas/Fort Worth and Austin areas. In Houston, a struggling energy industry creates uncertainty in the market, although downsizing businesses and households may support additional self-storage demand. Recently, the energy sector has shown signs of rebounding and Houston will carry momentum forward in 2017 as oil prices stabilize. Overall, regionwide vacancy remains well above the national rate despite registering the strongest decline, and it has yet to trigger substantial rent growth.

**Some caution tempering buyer aggression.** Investors will still look to acquire Southwest self-storage assets in 2017, though bullishness will fade as interest rates rise and new supply comes online. As a result, buyers are underwriting to more realistic standards, focusing on current NOIs and more reasonable revenue growth estimates. Property owners, however, are still expecting aggressive valuations, driving a wedge between buyer-seller pricing expectations. Moving forward, this gap may result in a lack of further cap rate compression and longer closing times.

**Southwest Region Sales Highlights**

<table>
<thead>
<tr>
<th>Property Name</th>
<th>City, State</th>
<th>NRSF**</th>
<th>Sales Price</th>
<th>Price per Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out of Space Self Storage</td>
<td>McKinney, TX</td>
<td>39,655</td>
<td>$8,000,000</td>
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</tr>
<tr>
<td>DFW Self-Storage Portfolio</td>
<td>Little Elm, TX</td>
<td>153,345</td>
<td>$24,800,000</td>
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</tr>
<tr>
<td>Denton Tap Self Storage</td>
<td>Lewisville, TX</td>
<td>85,106</td>
<td>$10,800,000</td>
<td>$127</td>
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<tr>
<td>Brazos Moving and Storage</td>
<td>College Station, TX</td>
<td>54,430</td>
<td>$6,875,000</td>
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</tr>
<tr>
<td>Self Storage Depot</td>
<td>Bixby, OK</td>
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</tr>
<tr>
<td>Extra Space Storage</td>
<td>Killeen, TX</td>
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<td>$4,355,000</td>
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</tr>
<tr>
<td>Storage Station - Sheridan</td>
<td>Tulsa, OK</td>
<td>50,800</td>
<td>$4,249,333</td>
<td>$84</td>
</tr>
<tr>
<td>Gulf Self Storage Portfolio</td>
<td>Slidell, LA</td>
<td>387,728</td>
<td>$25,614,000</td>
<td>$66</td>
</tr>
</tbody>
</table>

**Note:** CC stands for Climate Controlled

* Forecast

**Sources:** Marcus & Millichap Research Services; CoStar Group, Inc.; REIS Services, LLC
West

Tech-sector strength, healthy demographics help drive up rents in Western markets. The West region is well positioned for 2017 as robust job growth and strong population inflows underpin demand for self-storage space. The region continues to hold the strongest property fundamentals in the country, boasting the highest anticipated rent growth among all regions. Additionally, the metro is on pace to once again record the lowest regionwide vacancy at 9.2 percent, despite a 40-basis-point annual uptick. Markets along the coast are particularly strong as elevated land costs and natural barriers to construction help mitigate the threat of new supply. In addition, a high quality of life coupled with well-paid job opportunities from expanding tech companies are bringing thousands of potential new storage users to the market. Much of the development is occurring in growth cities like Portland, Phoenix and Denver, where developable land is more readily available. While healthy rates of population and employment growth will supply operators with a broad tenant pool, specific submarkets within these metros may be facing a supply-demand imbalance. Overall, though rent growth will moderate from the incredible pace seen in the past few years, the West will still record healthy gains in rental rates, attracting buyers to the market.

More conservative underwriting expands buyer-seller pricing expectations. Investors will continue to pursue Western self-storage assets in 2017, seeking cash flow and stability amid resounding underlying tenant demand. Though capital remains on the hunt for self-storage properties, some caution does exist. Buyers are ratcheting down revenue growth projections in the face of supply-side headwinds and are becoming less willing to stretch on pricing. Meanwhile, sellers are maintaining aggressive valuation expectations, further widening bid/ask spreads. Although concerns about overconstruction are driving some buyer apprehension, well-located assets in areas with a manageable development pipeline will receive substantial investor attention.

West Region Sales Highlights

<table>
<thead>
<tr>
<th>Property Name</th>
<th>City, State</th>
<th>NRSF**</th>
<th>Sales Price</th>
<th>Price per Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior Self Storage</td>
<td>Costa Mesa, CA</td>
<td>25,626</td>
<td>$5,850,000</td>
<td>$228</td>
</tr>
<tr>
<td>7th Street &amp; Dunlap Self Storage</td>
<td>Phoenix, AZ</td>
<td>69,910</td>
<td>$14,525,000</td>
<td>$208</td>
</tr>
<tr>
<td>Extra Space Storage</td>
<td>Thornton, CO</td>
<td>62,103</td>
<td>$12,600,000</td>
<td>$203</td>
</tr>
<tr>
<td>Extra Space Storage</td>
<td>Centennial, CO</td>
<td>62,600</td>
<td>$11,350,000</td>
<td>$181</td>
</tr>
<tr>
<td>Flamingo Durango Self Storage</td>
<td>Las Vegas, NV</td>
<td>107,576</td>
<td>$13,250,000</td>
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</tr>
<tr>
<td>Windmill Center Self Storage</td>
<td>Edgewood, WA</td>
<td>37,093</td>
<td>$4,350,000</td>
<td>$117</td>
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<tr>
<td>Stow-It Self Storage</td>
<td>Woodland, CA</td>
<td>42,000</td>
<td>$4,800,000</td>
<td>$114</td>
</tr>
<tr>
<td>Salt Lake Self Storage</td>
<td>West Valley City, UT</td>
<td>30,669</td>
<td>$2,325,000</td>
<td>$76</td>
</tr>
</tbody>
</table>

** Net Rentable Square Footage
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; REIS Services, LLC
South Atlantic

**Quality job opportunities attract potential tenants to the Southeast.** Population growth and employment gains will stoke South Atlantic self-storage demand, though an elevated development pipeline may soften occupancies. Strong positive net migration and an upswing in apartment development will help the Florida markets to once again lead the region. West Palm Beach, Miami-Dade and Tampa-St. Petersburg are all forecast to achieve rent growth of at least 3.3 percent across both climate-controlled and non-climate-controlled space, outpacing the national rate. Outside of Florida, growth markets in Tennessee, Georgia and North Carolina are also performing well. A young, rapidly expanding population base in Nashville triggers the formation of new households, helping keep vacancy at 8.1 percent, the second lowest in the region. In Atlanta and Charlotte, vibrant job markets continue to pressure self-storage demand, spurring healthy gains in street rates. Farther north in areas on the outskirts of Washington, D.C., high population density and elevated incomes are benefitting operators. The suburbs of Maryland and Virginia will record vacancy contractions of 110 basis points and 80 basis points, respectively, while the region as a whole posts a slight uptick.

**Buyer bullishness softening as growth expectations moderate.** Investors will continue to target South Atlantic self-storage properties as a consistent and stable source of cash flow, though threats of new supply have caused some buyers to temper revenue growth expectations. The tremendous gains in occupancy and rents registered in the past few years will give way to a more historically normal growth trend. As a result, buyers are being more conservative with their underwriting and are showing some resistance to elevated pricing. Sellers, on the other hand, are still demanding aggressive prices seen earlier in the cycle, driving a divide between buyer-seller pricing expectations. This gap will likely widen further in 2017 in the wake of a rising interest rate environment.

### South Atlantic Region Sales Highlights

<table>
<thead>
<tr>
<th>Property Name</th>
<th>City, State</th>
<th>NRSF**</th>
<th>Sales Price</th>
<th>Price per Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>US 1 A/C Self Storage</td>
<td>Boynton Beach, FL</td>
<td>74,679</td>
<td>$17,900,000</td>
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</tr>
<tr>
<td>Tampa MSA Portfolio</td>
<td>Palm Harbor, FL</td>
<td>223,903</td>
<td>$47,925,000</td>
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<tr>
<td>Gaithersburg Storehouse</td>
<td>Gaithersburg, MD</td>
<td>55,002</td>
<td>$8,899,900</td>
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</tr>
<tr>
<td>Surelock Self-Storage</td>
<td>Orlando, FL</td>
<td>61,000</td>
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<tr>
<td>Budget Self-Storage</td>
<td>Sterling, VA</td>
<td>56,795</td>
<td>$8,900,000</td>
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<tr>
<td>Storage West</td>
<td>Port St. Lucie, FL</td>
<td>66,480</td>
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<tr>
<td>Space Shop Self Storage Portfolio</td>
<td>Loganville, GA</td>
<td>216,201</td>
<td>$25,100,000</td>
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<tr>
<td>Absolute Storage</td>
<td>Simpsonville, SC</td>
<td>45,530</td>
<td>$4,450,000</td>
<td>$98</td>
</tr>
</tbody>
</table>

**Note:** CC stands for Climate Controlled

**Forecast**

**Sources:** Marcus & Millichap Research Services; CoStar Group, Inc.; REIS Services, LLC
Northeast

Regionwide vacancy falling despite mounting supply pressure. Market fundamentals will tighten in the Northeast, building on a solid performance in 2017. High population density, healthy job growth and above-average incomes continue to drive demand for storage space. As a result, regionwide vacancy is forecast to nudge down 10 basis points to 11 percent in the coming year, while rents post moderate growth. In New York City, a broad and expanding renter pool will supply metro operators with a large tenant base looking to supplement their smaller residences. The relative affordability of storage units compared with the cost of a larger dwelling has allowed self-storage rents in New York City to average nearly double the national level, catching the eye of developers. Supply additions will be most felt in the Bronx, Brooklyn and Queens. Though underlying demand is strong in these areas, increased competition may result in an elongated discount cycle and softer rent growth expectations. Locations in Connecticut and Massachusetts are also experiencing an upswing in construction, albeit at a slower rate. In Boston and Philadelphia, growth from education, healthcare and technology firms will carry economic momentum forward this year. Employment growth coupled with a robust apartment market will help sustain the need for storage space, particularly in the urban cores where the bulk of new multifamily supply is occurring.

Public institutions move to sidelines; buyer-seller expectations widen. Strong property fundamentals and a solid longterm outlook will attract investors looking for yield and growth opportunities to the Northeast. The major self-storage REITs have signaled a slowdown in asset acquisition, which may present an opening for small- to mid-size buyers to expand portfolios. Though investors remain on the hunt for well-located properties, buyers have narrowed their acquisition parameters amid muted revenue growth projections and expectations of rising interest rates. Sellers, on the other hand, are maintaining elevated pricing expectations, driving a further divide between bid/ask spreads.

Northeast Region Sales Highlights

<table>
<thead>
<tr>
<th>Property Name</th>
<th>City, State</th>
<th>NRSF**</th>
<th>Sales Price</th>
<th>Price per Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Storage</td>
<td>Hawthorne, NY</td>
<td>40,542</td>
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<td>Affordable Self Storage</td>
<td>Norwalk, CT</td>
<td>78,355</td>
<td>$19,000,000</td>
<td>$242</td>
</tr>
<tr>
<td>A to Z Self Storage</td>
<td>Orchard Park, NY</td>
<td>50,425</td>
<td>$4,000,000</td>
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<tr>
<td>Space Relief Center</td>
<td>Newton, NJ</td>
<td>66,250</td>
<td>$5,200,000</td>
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<td>Hartford Self Storage</td>
<td>Hartford, CT</td>
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<td>Advanced Climate Storage</td>
<td>Pittston, PA</td>
<td>17,930</td>
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<tr>
<td>Albany SuperStorage</td>
<td>Albany, NY</td>
<td>90,000</td>
<td>$5,911,500</td>
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<tr>
<td>All Storage</td>
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<td>21,550</td>
<td>$1,225,000</td>
<td>$57</td>
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</tbody>
</table>

** Net Rentable Square Footage
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; REIS Services, LLC
Economic Trends

Atlanta’s diverse economy and business-friendly environment will support further growth in the coming year. After a 2.7 percent gain in 2016, employers will expand payrolls 2.5 percent in 2017 through the addition of 68,000 jobs. The expanding workforce will push the median household income up 2.6 percent to $64,000 in 2017, 9 percent above the national level.

Household Trends

The Atlanta self-storage market will continue to benefit from robust residential construction. Apartment developers are on pace to deliver more than 12,000 units in 2017, the largest supply addition since 2003. Furthermore, roughly 25,500 single-family homes are slated for delivery, helping accommodate a rate of household formation of 2.1 percent, a 10-year high.

Vacancy Trends

Though an upswing in single-family and multifamily construction will maintain underlying storage demand, growing supply pressures will nudge vacancy up this year. Following a 90-basis-point drop in 2016, vacancy will rise 10 basis points this year to 10.2 percent, down from 21.7 percent in 2011.

Rent Trends

Vacancy hovering near historical lows will drive the average asking rent for climate-controlled units up 2.7 percent to $1.27 per square foot, the strongest gain among all markets in the South Atlantic region. Non-climate-controlled space is on pace to reach 98 cents per square foot, a 3.4 percent increase.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

During 2016, Austin employment normalized from previous years of robust growth, rising 1.9 percent year over year as 18,800 workers were added to payrolls. This year, employers will increase headcounts by 20,000 jobs, an annual advance of 2.0 percent. Median household income will rise 1.5 percent to $68,900 in 2017.

Household Trends

Single-family home completions will rise for a sixth consecutive year but remain below peak levels achieved during the mid-2000s. Multifamily development will decline in 2017 and builders will bring nearly 9,800 apartments online. Household formation remains on a steady upward trajectory this year, increasing 3.0 percent.

Vacancy Trends

Household formation is favoring renting rather than homeownership in the metro as the area’s for-sale housing market remains tight, supporting healthy demand for self-storage facilities. As a result, vacancy will fall 20 basis points this year to 11.7 percent. In 2016, the rate declined 50 basis points year over year.

Rent Trends

Constricting vacancy will support rent gains at self-storage facilities in Austin in 2017. On the heels of a 1.3 percent uptick in 2016, climate-controlled self-storage asking rent will rise 2.7 percent this year to $1.49 per square foot. Non-climate-controlled rent will reach $1.07 per square foot on a 3.2 percent annual increase, following a 2.4 percent advance last year.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

Baltimore employment expanded 1.8 percent last year as 24,300 workers were added to payrolls. In 2017, headcounts will rise 1.4 percent with the creation of 19,000 positions. Healthy job creation in higher-paying sectors will support a second year of median household income growth above the national pace, increasing 3.1 percent to nearly $77,200 annually.

Household Trends

Household formation will rise 0.7 percent this year, keeping pace with the previous year’s annual increase and up 6.8 percent from 2007 levels. The formation of new households is supporting a healthy level of multifamily development with more than 3,300 units expected to be delivered in 2017. Single-family completions will decline 5.0 percent this year.

Vacancy Trends

Following several years of strong drops in vacancy, the rate will rise 50 basis points in 2017 to 13.0 percent as additions to supply begin to outweigh demand for self-storage space. In each of the past five years, vacancy tumbled at least 90 basis points annually, falling a cumulative 720 basis points between 2011 and 2016.

Rent Trends

Despite an increase in vacancy this year, rent growth at area self-storage facilities will strengthen. Non-climate-controlled rent will rise 1.9 percent to $1.42 per square foot, while climate-controlled units realize an advance of 2.0 percent to $1.58 per square foot. Last year, non-climate-controlled rent and climate-controlled rents rose 1.4 percent and 1.3 percent, respectively.
Economic Trends

Employment in Boston is rapidly expanding and this year’s gain of 70,000 workers increases local staffs 2.6 percent. Last year, payrolls grew by 61,400 jobs, an expansion of 2.3 percent from 2015. Additions in many well-paying industries has contributed to steadily rising incomes, with the median on track to reach $84,400 annually in 2017.

Household Trends

Triggered by a healthy job market, household formation remains on par with the national pace of growth, rising 1.0 percent in 2017. To meet housing demand, developers are ramping up completions, targeting single-family residences as nearly 5,800 homes are finalized, rising 12.5 percent annually. Additionally, builders will add 7,100 units to the inventory of apartments.

Vacancy Trends

Solid job and wage growth are supporting a healthy pace of household formation, and the shortage of single-family options is pushing many new households into apartments. These factors will help strengthen demand for self-storage facilities, driving down vacancy 20 basis points this year to 11.3 percent. In 2016, the vacancy rate remained flat.

Rent Trends

Rent growth tempered in 2016 as non-climate-controlled asking rent ticked up 0.1 percent and rent declined 0.7 percent for climate-controlled units. This year, asking rent growth resumes amid tightening vacancy, with non-climate-controlled asking rent rising 2.2 percent to $1.52 per square foot and climate-controlled rent advancing 1.7 percent to $1.79 per square foot.

* Forecast

Vacancy and Rent Sources: REIS Services, LLC
**Economic Trends**

Charlotte employers will hire 25,000 workers in 2017, up 2.2 percent from the end of last year when employment expanded 1.7 percent, or by 18,900 jobs. Broad-based hiring is keeping wage growth on par with the nation’s, and the median household income is set to increase 3.0 percent this year to $58,300 annually. The rise pushes incomes up more than 12 percent above 2007 levels.

**Household Trends**

Steady job growth and the metro’s appealing quality of life are driving healthy household formation in Charlotte. It will rise 2.4 percent this year, the strongest rate of growth since 2008. New households are triggering residential development, with completions rising across the board this year. Single-family builders are set to complete 15,800 homes, up 18.7 percent annually. Multi-family deliveries are on track to rise 8.6 percent, or by 7,700 units.

**Vacancy Trends**

A healthy labor market coupled with strong household formation keep demand healthy for Charlotte self-storage facilities this year. As a result, the vacancy rate remains near a five-year low, ticking up 20 basis points from 2016 to 10.0 percent. Last year, vacancy plummeted 160 basis points.

**Rent Trends**

Non-climate-controlled asking rent reaches 95 cents per square foot this year on a 3.5 percent annual advance, the fastest pace in the South Atlantic region. Climate-controlled rent rises 3.7 percent in 2017 to $1.36 per square foot. Non-climate-controlled and climate-controlled rents also grew in 2016, increasing 2.9 percent and 3.4 percent, respectively.

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*Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

Chicago employment growth resumes this year following a slowdown during 2016 when 31,500 positions were added to payrolls, an increase of 0.7 percent annually. In 2017, employers add 60,000 workers to staffs, expanding headcounts 1.3 percent. Job growth produces a 3.3 percent advance in the median household income to $68,200 annually.

Household Trends

The rate of household formation is steady, increasing 0.7 percent this year and pushing up 5.2 percent from 2007. Single-family builders are recognizing a need for additional homes and will complete nearly 10,100 residences this year, up nearly 20 percent from 2016. Multifamily developers will reduce deliveries, bringing 8,400 units online in 2017.

Vacancy Trends

With job growth strengthening and a large share of households favoring apartments, vacancy at self-storage facilities in Chicago will tumble 130 basis points to 12.1 percent, the strongest dip in the Midwest region. The decline reverses the prior two years’ increases and pushes the vacancy rate to a seven-year low.

Rent Trends

The average asking rent for non-climate-controlled units rises 2.1 percent this year, while climate-controlled facilities generate a 1.6 percent gain, reaching $1.22 per square foot and $1.62 per square foot, respectively. Last year, non-climate-controlled rent increased 1.4 percent, and rent at climate-controlled units remained flat.
Economic Trends

In 2016, Cincinnati’s employment expanded 21,400 workers, an annual gain of 2.0 percent. This year’s rate of growth will match 2016 as 22,000 positions are added to local headcounts. In addition, median household income will increase faster than the national pace for a second consecutive year, pushing up to $61,400 annually.

Household Trends

The number of households in the Cincinnati metro has grown nearly 6 percent since 2007, driving healthy housing demand. Despite apartment vacancy falling below 4 percent last year, multifamily completions will decline 45 percent in 2017 as 1,400 units are delivered. Single-family completions will also fall as 3,400 homes are added to inventory.

Vacancy Trends

Vacancy at area self-storage facilities tumbles 30 basis points this year to 10.1 percent as demand remains strong amid tight housing conditions. The vacancy rate has been on a downward spiral for the past five years, including a decline of 90 basis points during 2016. This year’s dip will push the rate down to the lowest level in the Midwest region.

Rent Trends

Tightening vacancy encourages strengthened rent growth in 2017, with non-climate-controlled asking rent rising 2.5 percent to 84 cents per square foot. Rent for climate-controlled units ticks up by more than 2.0 percent, reaching $1.21 per square foot. Last year, non-climate-controlled and climate-controlled rents advanced 1.8 percent and 1.3 percent, respectively.
Economic Trends

Employment rises this year as 19,100 workers are hired, an annual growth rate of 1.8 percent. Last year, local staffs expanded 1.2 percent as 12,500 positions were created. In addition, median household income growth has outpaced the nation’s for the last five years, but incomes are still 6 percent below the national median and will reach $55,400 this year.

Household Trends

Single-family developers will complete 2,700 residences this year, falling 1.5 percent from 2016 and remaining well below peak levels achieved in the mid-2000s. Multifamily completions, however, will reach a new peak as more than 1,500 units are added to inventory. Household formation continues to move along at a stable pace, ticking up 0.4 percent this year.

Vacancy Trends

Demand for self-storage space in Cleveland remains healthy amid a steady pace of job creation and household formation. This year, however, supply additions will outweigh demand and vacancy will tick up 20 basis points to 10.5 percent. Last year, vacancy plummeted 230 basis points, the strongest decline since 2012.

Rent Trends

Despite vacancy reaching a five-year low during 2016, average rent for non-climate-controlled and climate-controlled units fell, dipping 0.9 percent and 2.8 percent, respectively. Rent growth resumes this year, with non-climate-controlled rent reaching 94 cents per square foot on a 0.9 percent advance. Climate-controlled rent rises 0.1 percent to $1.26 per square foot.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Columbus

Economic Trends

Employment growth accelerates from last year’s 1.8 percent advance, and local staffs will add 21,000 employees to payrolls this year, an annual growth rate of 2.0 percent. Steady job creation for the past several years has lifted the median household income 21.5 percent since 2007, reaching $62,900 annually in 2017. Median household income now sits 7 percent above national median.

Household Trends

Household formation has been rising at a steady pace for the past few years, but this year’s 1.6 percent annual increase is the strongest since the early 2000s. Multifamily developers will ramp up completions to meet growing demand this year, and nearly 4,500 units are set for delivery, up 68 percent from 2016. Single-family completions will also tick up in 2017 as 4,200 residences are brought online, a 0.6 percent rise year over year.

Vacancy Trends

Healthy job and wage growth as well as strengthening demand for apartments drive additional demand for self-storage facilities in Columbus. As a result, vacancy will tumble 60 basis points to 11.7 percent in 2017, reaching a six-year low. Last year, the vacancy rate fell 140 basis points.

Rent Trends

As vacancy tightens this year, the pace of rent growth advances, with non-climate-controlled and climate-controlled asking rents rising 1.9 percent each to 90 cents per square foot and $1.19 per square foot, respectively. In 2016, non-climate-controlled asking rent ticked up 0.5 percent, while rent for climate-controlled facilities remained flat.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
**Economic Trends**

Employers will add 83,400 workers this year, increasing headcounts 3.3 percent. Last year, jobs expanded 4.3 percent as more than 102,200 positions were created. Though job growth has been one of the strongest rates in the U.S. in the past several years, median household income growth has not kept pace and will tick up 1.8 percent this year to $63,500 annually.

**Household Trends**

A healthy job market is encouraging strong household formation in Dallas, with the number of households rising more than 20 percent in the last 10 years. Multifamily builders are targeting the metro, and nearly 24,300 units will be delivered this year, up 36 percent from 2016. Single-family completions will remain flat in 2017, as 23,000 residences are slated for delivery.

**Vacancy Trends**

Strong job growth and household formation will drive healthy demand for self-storage units in Dallas this year. As a result, vacancy will fall 10 basis points from the end of 2016 to 11.1 percent. Supply additions outweighed demand last year, pushing up the vacancy rate 50 basis points year over year.

**Rent Trends**

In 2017, non-climate-controlled asking rent will rise 3.1 percent to $1.09 per square foot, while rent for climate-controlled units inches up 1.1 percent to $1.37 per square foot. Last year, asking rent for non-climate-controlled facilities advanced 2.4 percent, and climate-controlled rent registered a 1.3 percent annual decline.

* Forecast

Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

The Denver metro gained 47,900 workers during 2016 as employment expanded 3.4 percent. This year, additions slow as job growth advances 2.8 percent with the creation of 41,500 positions. Strong job growth in high-paying sectors over the past few years drives a 30 percent increase in the median household income since 2007 to $75,600 annually by the end of this year, 28 percent above the national median.

Household Trends

Healthy job growth has encouraged strong household formation over the past few years. By the end of 2017, the number of households in Denver will have risen nearly 16 percent from 2007, keeping housing completions elevated. Nearly 11,000 single-family homes are slated for completion this year, up 16 percent from 2016. Multifamily developers will bring 11,900 units online this year, an annual increase of nearly 27 percent.

Vacancy Trends

Rising incomes and a healthy pace of household formation are generating a strong need for self-storage facilities in Denver, though an influx of new supply will outpace demand. Vacancy will rise 10 basis points to 10.9 percent in 2017. The vacancy rate also ticked up in each of the last two years, rising 50 basis points in 2016 and 10 basis points in 2015.

Rent Trends

Rent growth will resume this year as vacancy remains tight. Non-climate-controlled rent advances 0.8 percent to $1.38 per square foot, while asking rent for climate-controlled units inches up 0.4 percent to $1.61 per square foot. Last year, non-climate-controlled and climate-controlled rents fell 2.0 percent and 3.1 percent, respectively.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

Following last year’s addition of 35,900 positions, Detroit employers will increase headcounts by 35,000 jobs in 2017, matching the 1.8 percent year-over-year expansion achieved in each of the two prior years. In addition, median household income will rise 4.2 percent this year to $59,200 annually. Building on last year’s 5.2 percent advance, the increase pushes income up above the national median.

Household Trends

A 0.7 percent increase in households this year will be the strongest pace of formation in more than a decade. Revitalization in the city is driving healthy housing demand, and multifamily builders are ramping up deliveries 26 percent as nearly 2,600 units are added to inventory this year. Single-family completions will also rise in 2017 as 7,000 homes are delivered, up 16 percent from the supply additions last year.

Vacancy Trends

Vacancy at self-storage facilities in Detroit will rise 20 basis points this year as supply additions outweigh demand. The increase in the rate follows five consecutive years of declines, including a 180-basis-point tumble in 2016. Despite the slight uptick, the vacancy rate will end 2017 down 710 basis points from the peak achieved in early 2012.

Rent Trends

Rent growth continues this year as vacancy remains tight. The average rent for non-climate-controlled units will rise 1.5 percent to $1.03 per square foot, while climate-controlled facilities realize a 2.2 percent advance to $1.39 per square foot. Last year, non-climate-controlled rent ticked up 0.8 percent, while climate-controlled units registered a 2.5 percent gain.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

Employment rose 3.7 percent in 2016 with 30,100 positions. This year, local staffs will expand 4.3 percent, or by 36,000 jobs, the strongest pace of growth since before the recession. Median household income will rise faster than the national pace for a second consecutive year to $57,800 annually, though it will stay 2 percent below the U.S. median.

Household Trends

A healthy job market is encouraging household formation. In 2017, the number of households in Fort Lauderdale will have risen 14 percent since 2007. Several years of household growth are encouraging developers, and multifamily completions are forecast to rise 88 percent annually as 5,000 units are added to inventory this year. Single-family deliveries will also advance at a healthy clip as 2,200 homes are completed.

Vacancy Trends

Demand for self-storage space remains strong in the metro as wages rise and households are formed, though robust deliveries this year will encourage a 30-basis-point climb in the vacancy rate to 9.1 percent. The increase will be the first in more than five years. Last year, the vacancy rate tumbled 210 basis points.

Rent Trends

Despite an increase in vacancy this year, the rate remains tight, keeping rent growth strong. Non-climate-controlled units register a 2.6 percent advance to $1.54 per square foot, while rent at climate-controlled facilities rises 3.0 percent to $1.77 per square foot. Last year, non-climate-controlled and climate-controlled rent grew 2.6 percent and 3.4 percent, respectively.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

Fort Worth employment advanced 1.8 percent last year as nearly 17,600 workers were added to payrolls. In 2017, numerous company expansions will lead to the creation of 31,000 positions in the metro, an annual advance of 3.1 percent. In addition, the median household income is expected to rise to $61,900 this year, approximately 5.0 percent above the national median.

Household Trends

Strong and steady job creation across the Greater Dallas/Fort Worth Metroplex is driving household formation, with the total number of households in Fort Worth resting nearly 19 percent above 2007 levels. These factors are stirring healthy housing demand. Single-family builders are on track to complete nearly 7,700 residences this year, while multifamily deliveries reach 4,800 units, both rising from last year.

Vacancy Trends

Rising employment, wages and household formation are generating healthy demand for self-storage facilities in the metro. This year, vacancy will slide 80 basis points to 8.8 percent, the lowest rate in the Southwest region. Last year, vacancy slipped 60 basis points. As vacancy continues to tighten, rent gains will strengthen this year.

Rent Trends

Asking rent for non-climate-controlled units reaches 94 cents per square foot in 2017, while climate-controlled rent climbs to $1.32 per square foot; both rise 2.7 percent year over year. Last year, non-climate-controlled facilities registered a 1.9 percent gain, while climate-controlled centers recorded a 1.8 percent advance.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

A slump in energy prices drastically slowed job growth in Houston over the past two years, with employers adding 20,700 jobs and 14,400 positions in 2015 and 2016, respectively. This year, employment advances 0.6 percent as 19,500 workers are added to staffs. With job additions concentrated in lower-wage earning sectors, median household income growth has also reduced, ticking up 1.3 percent this year to $61,900.

Household Trends

Household formation remains strong, rising 2.2 percent this year and pushing the total number of households up 25 percent since 2007. After several years of robust completions, both single- and multifamily deliveries will decline this year. The number of single-family homes delivered this year dips 11 percent annually as nearly 32,800 residences are brought online. Multifamily additions fall nearly 19 percent to 18,300 units.

Vacancy Trends

As household formation continues to rise at a healthy clip, demand for self-storage facilities in Houston remains strong. This year, vacancy will tick down 30 basis points to 10.0 percent, building on the previous five years’ declines and matching last year’s dip. Vacancy has constricted significantly since 2011 when the rate reached 21.2 percent.

Rent Trends

Further tightening in vacancy this year will encourage rent gains to resume. Non-climate-controlled asking rent rises 1.6 percent in 2017 to 94 cents per square foot, while rent for climate-controlled units inches up 0.8 percent to $1.30 per square foot. Last year, non-climate-controlled rent remained flat and rent for climate-controlled units declined 1.8 percent.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

Indianapolis employers are set to generate 20,000 jobs during 2017, a 1.9 percent rise from last year. This year’s gain nearly matches that of 2016 when the number of jobs rose 2.0 percent, or by 20,400 positions. In addition, steady median household income growth over the last two years will lift the median 2.0 percent above the national level to $60,000 annually in 2017.

Household Trends

Household formation rises 1.4 percent this year, pushing up the number of households nearly 12 percent from 2007. While demand for housing rises, multifamily construction dips for a second consecutive year as nearly 2,200 units are added to inventory. Conversely, single-family completions increase for a second consecutive year with the delivery of 6,100 homes.

Vacancy Trends

Last year, the vacancy rate at self-storage facilities in Indianapolis declined 70 basis points. This year, supply additions will match demand and the rate will remain flat at 10.3 percent. Over the past five years, the vacancy rate has tumbled 450 basis points and is one of the tightest levels in the Midwest region.

Rent Trends

Rents are set to rise at the fastest pace in the Midwest this year. Non-climate-controlled rent will grow 5.1 percent in 2017 to 90 cents per square foot. Asking rent for climate-controlled facilities will jump 5.0 percent to $1.24 per square foot. The increase builds on a 7.3 percent and 6.3 percent advance at non-climate-controlled and climate-controlled facilities in 2016, respectively.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

Employment growth advances this year as 22,000 employees are added to payrolls, an annual growth rate of 2.3 percent. This follows the creation of 24,300 jobs during 2016, which increased local staffs 2.6 percent. Job additions in lower-wage segments are keeping income growth below the national rate, and the median household income will reach $53,800 this year.

Household Trends

Single-family deliveries increase 11 percent from 2016 as 8,800 homes are added to inventory. Multifamily development surges 26 percent this year as an additional 3,200 units are brought online. Strong household formation over the past few years has encouraged the rise in development and the total number of households are on pace to reach approximately 18 percent higher than 2007 levels this year.

Vacancy Trends

Supply additions will outweigh demand for self-storage facilities in Las Vegas this year, pushing the vacancy rate up 110 basis points to 11.4 percent. Vacancy tumbled more than 300 basis points in each of the last two years, falling 340 basis points in 2016 and 310 basis points in 2015.

Rent Trends

With vacancy remaining historically low, rents will advance this year. Non-climate-controlled rent inches up 1.6 percent to 94 cents per square foot, while asking rent for climate-controlled units rises 2.2 percent to $1.03 per square foot in 2017. Last year, non-climate-controlled and climate-controlled rent increased 1.3 percent and 2.5 percent, respectively.
Economic Trends

Employment will rise 1.1 percent in Los Angeles in 2017 as 50,000 workers are added to payrolls. The pace of job gains lags last year’s increase of 1.4 percent, or 61,300 positions. In addition, the median household income rate of growth will outpace the nation’s for a fourth consecutive year. The median will reach $63,800 annually, resting approximately 8.0 percent above the national median.

Household Trends

The number of households in the metro has risen by at least 1.0 percent in five of the last six years, and household formation will match this rate of growth in 2017. Overall, the number of total households is up 7.3 percent since 2007, stirring strong demand for housing. Single-family home completions will rise 8 percent this year, while multifamily deliveries advance nearly 10 percent.

Vacancy Trends

Demand for self-storage units has been strong in Los Angeles, driven by a healthy number of rental households. Including a 120-basis-point fall during 2016, the vacancy rate has tumbled 940 basis points since 2011 to 7.3 percent. Supply additions will outweigh demand in 2017, however, pushing up the rate 70 basis points to 8.0 percent.

Rent Trends

Rent growth remains strong in 2017, and the average asking rent for non-climate-controlled units rises 3.6 percent to $1.90 per square foot. Climate-controlled rent advances 2.1 percent this year to $2.12 per square foot. Last year, non-climate-controlled rent grew 4.0 percent and rent at climate-controlled facilities increased 1.5 percent.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

The Washington, D.C., metro workforce will expand 1.7 percent in 2017 with the creation of 55,000 positions. A rise in higher-paying jobs this year will contribute to a 2.8 percent advance in median household income to $99,100 annually. In 2016, employers increased payrolls by 66,800 workers while median income climbed 3.3 percent.

Household Trends

Elevated multifamily completions will underpin demand for self-storage space this year. More than 15,700 apartments are slated for delivery, adding to the 59,000 units completed over the previous five years. Developers will also add 13,100 single-family homes to inventory.

Vacancy Trends

In Suburban Maryland, self-storage vacancy dropped 40 basis points in 2016. This year, strong demand for space aided by healthy multifamily demand will slash the vacancy rate 110 basis points to 9.8 percent, the sharpest decline regionally.

Rent Trends

This year asking rents for climate-controlled facilities will rise 2.6 percent to $2.03 per square foot, while rents for non-climate-controlled space will gain 2.8 percent to $1.74 per square foot. In 2016, average asking rent in climate-controlled and non-climate-controlled units grew 2.0 percent and 2.8 percent, respectively.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
**Economic Trends**

Last year, Memphis employers added 2,700 workers to pay-rolls, increasing local staffs 0.4 percent. In 2017, employment is set to rise 0.9 percent as 6,000 positions are created. Household income growth is expected to rise faster than the national pace for a second consecutive year, pushing up the median 3.6 percent to $53,200.

**Household Trends**

Household formation is rising at a steady pace and stirring demand for housing in the metro. This year, the total number of households rises 1.1 percent, up from the 0.8 percent bump last year. Increased housing demand facilitates the completion of more than 1,800 multifamily units and nearly 3,600 single-family residences this year, both up from deliveries in 2016.

**Vacancy Trends**

Continued employment and household growth will increase demand for self-storage units across the Memphis metro during 2017. Building on a 170-basis-point decline last year, vacancy tumbles 20 basis points to 12.2 percent. Healthy demand continues to foster rent gains in the segment.

**Rent Trends**

Asking rent for non-climate-controlled units ticked up 1.9 percent during 2017 to 82 cents per square foot. Climate-controlled rent also registers an increase this year, advancing 3.5 percent to $1.25 per square foot. Last year, 2.4 percent and 4.2 percent climbs were recorded for non-climate-controlled and climate-controlled facilities, respectively.
Economic Trends

In 2016, Miami employers added 21,800 workers to staffs, increasing headcounts 1.9 percent. This year, employment additions rise 2.2 percent as 25,000 positions are created. Though employment growth has been steady for the past few years, the median household income will end 2017 up 11.6 percent from five years ago at $46,900. This is 21 percent below the national median.

Household Trends

Single-family home completions rise nearly 30 percent this year as 4,000 homes are added to inventory. Deliveries in this segment are catching up with multifamily completions, which tick up 1.3 percent, or 5,700 units, but remain 58 percent below peak levels in 2005. Household formation continues to rise at a strong, steady pace and by year-end will reach nearly 17 percent above the total households in 2007.

Vacancy Trends

Vacancy fell nearly 1,200 basis points from 2011 to 2016, but several years of steady declines are met with a ripe development pipeline. In 2017, the vacancy rate will inch up 80 basis points to a still-low 9.4 percent as completions surpass demand for self-storage units in Miami this year.

Rent Trends

Climate-controlled asking rent rises to $2.01 per square foot this year, up 5.0 percent annually and advancing at the fastest pace in the South Atlantic region. Rent for non-climate-controlled units ticks up 1.8 percent to $1.55 per square foot. Last year, climate-controlled and non-climate-controlled rent increased 4.3 percent and 1.1 percent, respectively.
Economic Trends

Minneapolis-St. Paul employers build on last year’s addition of 29,900 employees and create 35,000 positions this year, an annual growth rate of 1.8 percent. In addition, the area’s median household income will rise above 2.0 percent for a third consecutive year, reaching $74,200 annually in 2017. This pushes the median 26 percent above the national level.

Household Trends

Single-family completions tick up 0.4 percent in 2017 as builders add 7,800 residences to inventory. Multifamily deliveries also rise this year with the addition of 3,800 units, increasing 15 percent from 2016. Household formation continues to rise in the metro and this year the total number of households advances 1.3 percent.

Vacancy Trends

Stable job growth and rising incomes facilitated a 190-basis-point drop in the vacancy rate during 2016. While those trends persist into this year, vacancy at self-storage facilities in Minneapolis-St. Paul pushes up 70 basis points year over year to 11.3 percent.

Rent Trends

Asking rent at non-climate-controlled and climate-controlled facilities increased 3.8 percent and 6.0 percent last year. Rent growth slows slightly in 2017 as non-climate-controlled units realize a 3.1 percent increase to $1.31 per square foot and climate-controlled centers register a 4.2 percent advance to $1.66 per square foot.
Economic Trends

During 2016, Nashville employers created 28,900 jobs, a 3.1 percent gain. In 2017, 20,000 positions will be added, expanding headcounts 2.1 percent annually. Diversification in the employment base and job additions in high-wage segments over the past few years have encouraged a healthy pace of median household income growth. The median will reach $63,700 annually this year, up nearly 27 percent since 2007.

Household Trends

The total number of households in the metro rises 20 percent above 2007 levels this year, creating strong demand for area housing. Single-family completions near their pre-recession peak this year as builders deliver 14,900 residences, up 21 percent year over year. Multifamily deliveries will reach a new peak in 2017 as 9,100 units are completed, an increase of nearly 24 percent annually.

Vacancy Trends

Nashville’s self-storage vacancy rate fell 70 basis points during 2016 as steady job and strong wage growth spurred demand for space. This year, vacancy will remain flat as completions begin to catch up with space needs. The vacancy rate will remain at 8.1 percent this year, the lowest in the South Atlantic region.

Rent Trends

Advances of 2.6 percent and 3.2 percent push up asking rent at non-climate-controlled and climate-controlled facilities this year, reaching 95 cents per square foot and $1.45 per square foot, respectively. Last year, non-climate-controlled facilities yielded a 1.1 percent increase in rent while climate-controlled units achieved a 2.4 percent uptick.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

Payrolls in New York City will expand by 60,000 employees this year, an annual growth rate of 1.4 percent. Last year, employment grew by 74,300 workers, or 1.7 percent. Income growth has been steady and will rise 2.9 percent this year to $65,900 annually, approximately 12 percent above the national median.

Household Trends

A steady pace of household formation contributes to the total number of households in New York City rising nearly 9 percent above 2007 levels. Builders have ramped up construction to meet rising housing demand. Multifamily developers are set to deliver a staggering 29,700 units this year, a historic high. Single-family deliveries will also increase in 2017, as nearly 7,300 residences are brought online.

Vacancy Trends

Demand for self-storage space remains strong as the vacancy rate falls 20 basis points in 2017 to 13.3 percent. Last year, strong demand for units resulted in a 110-basis-point drop in the vacancy rate. Vacancy has bounced around the mid-12 percent to mid-14 percent area for the past six years.

Rent Trends

Asking rent at non-climate-controlled facilities are on track to increase 3.3 percent this year to $2.74 per square foot, while climate-controlled units register a 1.5 percent rise to $3.00 per square foot. Last year, non-climate-controlled units realized a 3.3 percent gain while rent for climate-controlled facilities ticked down 0.7 percent.
Economic Trends

Following a 0.9 percent gain last year, the Northern New Jersey workforce will grow another 1.7 percent in 2017 through the addition of 36,000 workers. The accelerating rate of job growth will put upward pressure on the median household income, which is forecast to reach $81,500 per year in 2017.

Household Trends

The relative affordability of residential space in Northern New Jersey compared with New York City has ignited multifamily construction in recent years. Developers are on pace to deliver more than 7,500 units in 2017, the most since 2000. The formation of new renter households will help sustain the need for storage space.

Vacancy Trends

Heightened underlying tenant demand in Northern New Jersey will trigger the strongest vacancy drop in the entire Northeast region this year. After a 40-basis-point retreat in 2016, the metrowide rate will plummet 110 basis points to 9.8 percent in 2017.

Rent Trends

The sharp decline in vacancy will accelerate the pace of rent growth in 2017. Following little to no movement last year, the average asking rent for climate-controlled units will climb 1.1 percent to $1.92 per square foot this year while rent in non-climate-controlled space rises 1.2 percent to $1.82 per square foot.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

In the East Bay market 35,000 jobs will be created in 2017, a 3.1 percent increase compared with a year earlier when 29,600 workers were added to payrolls. The median household income will climb 3.2 percent this year to end 2017 at $88,000 annually, 50 percent greater than the national median.

Household Trends

Strong demographic trends over the last decade, growing total households by 12.7 percent in Oakland, support robust increases to residential construction. Multifamily completions this year jump 70 percent from 2016, strengthening demand for self-storage across the East Bay.

Vacancy Trends

Sitting at 8 percent by the end of this year to mark a 10-basis-point rise, the vacancy rate in Oakland is one of the tightest in the U.S. and remains well below the national rate. In 2016 vacancy held constant from a year earlier, though a 640-basis-point drop from 2011 levels was registered.

Rent Trends

Rents for non-climate-controlled units are set to rise 5.4 percent this year to $1.92 per square foot, down from an 8.2 percent increase last year. Climate-controlled rents will increase 1.3 percent, reversing a reduction of 0.4 percent in 2016 to end the year at $2.02 per square foot.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC

Metro Total Employment

Med HH Income

Year-over-Year Change

Completed (Ths.)

Asking Rent Trends

Climate-Controlled
Non-Climate-Controlled

Asking Rent per Square Foot

Vacancy and Rent Sources: REIS Services, LLC

* Forecast
Economic Trends

Employment in Orange County will grow by 33,000 jobs this year, a 2.1 percent increase to the local workforce. Last year 31,900 jobs were created. Robust employment growth in higher-paying sectors supports a 3.0 percent rise in the annual median household income, which will reach $83,400 this year.

Household Trends

Multifamily completions nearly triple this year compared with 2016 while single-family deliveries grow by 11 percent. Steady household formation supports these robust housing additions as roughly 12,000 households will be created in Orange County this year, a 1.2 percent increase.

Vacancy Trends

Following an 80-basis-point increase to the vacancy rate in 2016, a 60-basis-point drop will push the rate down to 9.2 percent by the end of 2017, 100 basis points under this year’s national rate. Last year the vacancy rate sat 710 basis points below the rate registered five years earlier.

Rent Trends

Non-climate-controlled rents reverse the 0.4 percent drop posted in 2016 to climb 1.6 percent this year, ending 2017 at $1.67 per square foot. Climate-controlled rents will do the same, climbing 0.2 percent in 2017 to $1.84 per square foot following a 3.5 percent decrease last year.
Economic Trends

In 2017, 55,000 jobs will be created in Orlando to grow the workforce 4.5 percent year over year. Last year 49,300 workers were added to payrolls. The median household income will grow at a greater pace than the national average this year, rising 3.6 percent to $55,100 annually.

Household Trends

The pace of household formation picks up this year, expanding 3.7 percent, up from year-over-year growth of 3.0 percent last year. To meet rising demand, single-family completions jump 25 percent this year while multifamily deliveries hold slightly above the five-year average.

Vacancy Trends

This year a 60-basis-point rise will be posted to close 2017 at 10.3 percent vacancy, just above the national rate of 10.2 percent anticipated for year-end. An exceptional 330-basis-point drop was posted last year, slashing the 2011 rate by more than half.

Rent Trends

After remaining relatively unchanged in 2016, non-climate-controlled rent will climb 1.5 percent to $1.03 per square foot this year. Climate-controlled rents move up 2.6 percent in 2017 to end the year at $1.35 per square foot. Last year climate-controlled units increased asking rent 2.4 percent.
Economic Trends

Staffing in the Philadelphia market will rise by 1.7 percent this year with the creation of 49,000 jobs, up from 44,300 last year. Employment growth supports a rise in the median household income of 3.8 percent to $72,900 in 2017, greater than the national increase of 3.0 percent.

Household Trends

Household formation remains steady in 2017, boosting total households by roughly 15,000 this year. Single- and multifamily completions rise 16 percent each from a year earlier to meet growing demand. Robust levels of construction in the rental market portend to strong demand in the self-storage market.

Vacancy Trends

After reaching the tightest vacancy rate of the current cycle last year on the back of a 220-basis-point drop, Philadelphia’s rate is set to rise 70 basis points to 10.1 percent this year. Vacancy across the metro will be nearly on par with the national rate at year-end.

Rent Trends

Asking rent for non-climate-controlled units will reach $1.23 per square foot by year-end, a 2.1 percent increase from a year earlier when a 1.8 percent climb was registered. Climate-controlled units will boost asking rent 2.5 percent in 2017, in line with last year’s gain to close 2017 at $1.43 per square foot.

* Forecast

Vacancy and Rent Source: REIS Services, LLC
Economic Trends

The Phoenix workforce is anticipated to expand 2.0 percent this year as 40,000 jobs are created. Last year, employment grew by 29,400 jobs. The median household income is set to rise as well, reaching $60,600 annually at the end of 2017, a 3.9 percent increase from last year.

Household Trends

Household formation in the Valley has been robust, accounting for a 17.4 percent increase this year from 2007 levels. Developers have followed suit, adding hundreds of thousands of new homes and apartments to the market and pushing deliveries for 2017 to or near the cycle high.

Vacancy Trends

Exceptional demand last year compressed the vacancy rate 350 basis points. In 2017 the rate is set to rise 100 basis points, bucking the trend of vacancy decline to end the year at 13.3 percent, 210 basis points above the national estimate for 2017.

Rent Trends

In 2016, a sharp contraction in vacancy pushed asking rent for non-climate-controlled and climate-controlled units up 3.2 percent and 4.4 percent, respectively. Non-climate-controlled asking rent will rise 3.0 percent this year to $1.10 per square foot while climate-controlled rents climb 3.3 percent to $1.34 per square foot at year-end.

* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

The Portland workforce will expand 2.2 percent at the end of 2017 from a year earlier as 26,000 jobs are created, a moderation from the 29,300 jobs created last year. The median household income is set to grow as well, increasing 3.3 percent this year, above the national pace of growth to $68,400 annually.

Household Trends

Household growth in Portland has been robust, increasing 10 percent since 2012. Residential development has swelled in order to meet demand; more than 13,000 single-family homes and apartments are anticipated for completion in 2017, a new high for the current cycle.

Vacancy Trends

After slicing 110 basis points off the vacancy rate in 2016, the rate is forecast to remain at 8.2 percent at the end of this year to make Portland one of the tightest metros across the nation. The U.S. rate is estimated to be 200 basis points above the metro at year-end.

Rent Trends

Non-climate-controlled asking rent reaches $1.45 per square foot this year, a 4.9 percent rise from a year earlier when growth of 7.6 percent was posted. Climate-controlled units are set to boost rent 4.2 percent to $1.65 per square foot, a slower pace than last year’s 6.2 percent gain.

* Forecast
Vacancy and Rent Source: REIS Services, LLC
Economic Trends

This year 36,000 jobs will be created to expand the workforce 2.5 percent. Last year 41,200 workers were added to payrolls. The median household income will grow 2.3 percent in 2017, climbing to $59,000 annually, on par with the national level.

Household Trends

Steady household formation this decade has expanded the total 9 percent, driving demand for single- and multifamily homes. Single-family completions have risen every year since 2012, culminating in a new high for the current cycle this year as more than 10,000 homes are set for delivery.

Vacancy Trends

Demand for self-storage units has been exceptional, shaving almost 14 percent from the vacancy rate since 2011. This year, though, the rate is anticipated to climb 120 basis points to end the year at 10 percent, just below the national forecast for 2017 of 10.2 percent.

Rent Trends

The average asking rent will climb 3.9 percent in 2017 to $1.08 per square foot for non-climate-controlled units while rent for climate-controlled storage will post a 5.5 percent rise, ending the year at $1.53 per square foot. Last year non-climate-controlled and climate-controlled units increased rents 5.0 percent and 8.2 percent, respectively.
Economic Trends

Last year’s job gain of 29,200 will be mimicked this year as 28,000 jobs are set to be created, a 2.9 percent increase from a year earlier. Median income levels will grow as well, increasing 3.1 percent in 2017 from last year to $67,500 annually.

Household Trends

Construction crews will be active this year as multifamily completions are forecast to double in 2017 from last year while single-family deliveries will increase by 27 percent. Household formation will expand by 1.3 percent in 2017.

Vacancy Trends

After compressing 300 basis points in 2016, making Sacramento’s vacancy the second tightest in the nation for self-storage, the rate will climb 170 basis points this year to end 2017 at 8.5 percent. A rate increase of 170 basis points is the largest change of any California market this year.

Rent Trends

Asking rent growth will be robust this year, climbing 6.3 percent to $1.26 per square foot at non-climate-controlled facilities and 5.5 percent to $1.49 per square foot for climate-controlled units. Rent gains last year were even more exceptional; non-climate-controlled rent increased 9.6 percent and climate-controlled rents climbed 8.3 percent.
Economic Trends

Employment growth in Salt Lake City will be the greatest since 2012 as 41,000 jobs are set to be created, a 3.4 percent expansion of the workforce. Last year 39,650 jobs were created. New hires in higher-paying sectors lift the median income 4.7 percent to $71,900 annually.

Household Trends

An estimated 8,000 households will be formed this year, the greatest gain in five years. Single-family completions jump 22 percent this year from 2016 to reach the highest level of the current cycle. Multifamily deliveries dip 31 percent from year ago levels as 3,500 units come online in 2017.

Vacancy Trends

In 2016, strong demand pushed the vacancy rate 180 basis points lower, the greatest drop of the cycle. This year a 30-basis-point increase is anticipated to end the year at 9.4 percent vacancy, 80 basis points below the national forecast.

Rent Trends

Non-climate-controlled asking rent will climb 2.6 percent this year to 92 cents per square foot while climate-controlled rents are set to rise 4.7 percent to end 2017 at $1.15 per square foot. Last year, rent at non-climate-controlled units rose 3.0 percent and climate-controlled asking rent went up 7.7 percent.
Economic Trends

This year 19,000 jobs will be created in San Antonio, a 1.9 percent expansion of the workforce. Last year 21,800 jobs were created. The median income is forecast to increase 1.6 percent to $56,200 annually, 5 percent below the median income on the national level.

Household Trends

Residential development falls just below the five-year average as 10,500 single-family homes and apartments are anticipated for delivery this year. Household formation also slows slightly, rising 1.9 percent this year, down from growth of 2.1 percent in 2016.

Vacancy Trends

San Antonio is set to post the greatest drop in vacancy across Texas this year, falling 190 basis points to end 2017 at 11.9 percent. A 90-basis-point increase was registered last year. The U.S. vacancy rate is forecast to be 10.2 percent.

Rent Trends

Rent growth will be healthy this year with non-climate-controlled asking rent climbing 2.9 percent in 2017 to 98 cents per square foot and climate-controlled rents rising 2.6 percent to $1.37 per square foot. In 2016, non-climate-controlled rents rose 2.0 percent and climate-controlled rent rose 1.6 percent.
Economic Trends

San Diego employers will expand the workforce 2.0 percent in 2017, remaining in line with last year’s number of job additions as 28,500 positions are created. The steady pace of employment growth will support a 3.2 percent rise in median household income this year to $72,170 annually.

Household Trends

This year healthy job creation in San Diego will encourage an increase in household formation. As a result, overall housing construction will rise significantly. Multifamily completions will advance nearly 61 percent as 5,800 apartments are completed and approximately 3,000 single-family homes are on track for delivery.

Vacancy Trends

While a surge in housing completions benefits demand for self-storage space, supply pressures will inch up vacancy this year. After a 30-basis-point decline last year, the vacancy rate will tick up 10 basis points in 2017. Despite the increase, vacancy remains 800 basis points below the prior cycle peak.

Rent Trends

Low vacancy will drive a 4.2 percent increase in asking rents to $1.65 per square foot for non-climate-controlled units, reaching a business cycle high. Asking rent for climate-controlled space will climb to $1.83 per square foot in 2017, a 1.8 percent year-over-year rise.
Economic Trends

Employers in San Francisco will increase staffs 1.7 percent this year with the creation of 18,000 positions. In 2016, more than 16,300 jobs were added to payrolls. A rise in higher-paying positions will push median household income up 5.3 percent in 2017 to $108,400 yearly.

Household Trends

Tight vacancy in San Francisco’s multifamily market will drive apartment construction in 2017 and benefit demand for self-storage space. More than 5,600 multifamily units are on track for completion this year and nearly 620 single-family homes will be constructed metrowide.

Vacancy Trends

Significant increases in single-family home prices will push many individuals to apartments this year, fueling demand for self-storage. As a result, metrowide vacancy will fall 30 basis points to 6.9 percent, a cycle low. Last year, the vacancy rate remained flat.

Rent Trends

As vacancy tightens in 2017, asking rent at climate-controlled facilities will climb 4.9 percent to $2.93 per square foot. Rent at non-climate-controlled units will jump 5.3 percent to $2.51 per square foot. In the previous year, rent for climate-controlled space and in non-climate-controlled units advanced 7.1 percent and 8.4 percent, respectively.
**Economic Trends**

Employment in the San Jose area will rise 2.7 percent in 2017 as 30,000 workers are added to payrolls. Healthy job growth this year will support a 4.1 percent increase in median household income to $111,300 annually. Last year, employers created 37,100 positions while median household income rose 4.8 percent.

**Household Trends**

Single-family home completions will surge 15 percent this year as nearly 2,200 homes are slated for delivery. Additionally, developers will add 3,500 multifamily units to inventory, down from 5,000 apartments last year. However, multifamily construction remains elevated above the previous cycle high, benefiting the self-storage market.

**Vacancy Trends**

This year, demand will not outpace supply pressures, pulling vacancy up 50 basis points to 6.1 percent. Despite the increase, San Jose will maintain the lowest vacancy nationally. In the previous year, strong employment gains and high multi-family construction led vacancy to plummet 100 basis points.

**Rent Trends**

Low vacancy will push asking rent up 6.4 percent for climate-controlled space to $2.30 per square foot, the largest percentage gain across metros for these units. Asking rent for non-climate-controlled facilities will rise 4.8 percent to $1.99 per square foot.

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* Forecast
Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

Following the addition of 67,100 positions in 2016, the workforce in Seattle will rise 3.4 percent with the creation of 68,000 jobs this year. Growth in higher-paying office-using jobs will encourage a 4.0 percent increase in median household income to $82,000 yearly. In 2016, median income registered a 3.7 percent advance.

Household Trends

Rising incomes will drive household formation up 2.4 percent this year, fostering housing demand and benefiting the self-storage market. Multifamily completions will reach a record high as 13,200 apartments are added to inventory this year. Additionally, 9,900 single-family homes will be delivered.

Vacancy Trends

Seattle’s vibrant economy and robust demand for self-storage space will lower vacancy 40 basis points this year to 9.7 percent. In 2016, the vacancy rate ticked up 20 basis points as supply pressures outstripped demand.

Rent Trends

In 2017, asking rent will climb 5.3 percent to $1.93 per square foot for climate-controlled facilities after jumping 7.0 percent last year. Following a 5.2 percent increase in 2016, rent in non-climate-controlled units will rise 4.5 percent to $1.56 per square foot this year.
Economic Trends

Establishments in St. Louis will create 28,000 positions, a 2.0 percent payroll expansion. Last year, employers increased staffs by 38,300 workers. The growing workforce will move median household income up 3.0 percent to $60,200 annually, matching the national pace. In 2016, household income rose 3.4 percent.

Household Trends

The self-storage market in St. Louis will benefit from cycle-high multifamily completions in 2017. Nearly 2,500 apartments will be added to inventory by year-end, up from the 1,700 delivered in 2016. The number of single-family homes will rise by 5,900 this year.

Vacancy Trends

Robust growth in the apartment market will underpin demand for self-storage space this year. As a result, vacancy will plunge 60 basis points to 10.2 percent, matching the national rate. In the previous annual period, vacancy ticked up 20 basis points year over year.

Rent Trends

Following a 1.8 decrease in 2016, asking rent in climate-controlled facilities will inch up 1.2 percent to $1.33 per square foot this year. Rent in non-climate-controlled units will climb 2.1 percent in 2017 to 97 cents per square foot after a 1.3 percent increase was registered last year.

* Forecast

Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

Following a 27,100 addition to staffs last year, Tampa-St. Petersburg employers will create 30,000 positions, expanding the employment base 2.3 percent. Growth in higher-paying sectors this year will foster a 4.1 percent increase in median household income to $52,900 yearly. In 2016, median income rose 3.9 percent.

Household Trends

Both single-family and multifamily housing completions will realize sizable year-over-year gains in 2017. More than 4,800 apartments are on track for delivery, up nearly 2,000 units from the completion total of the prior year. Single-family home construction will surge 27.9 percent with 13,600 homes slated for completion.

Vacancy Trends

Supply-side pressure will outweigh demand this year, pushing the vacancy rate up 50 basis points to 9.7 percent. Despite the increase, vacancy will be 50 basis points below the national rate. In the previous year, vacancy fell 40 basis points to a business-cycle low amid strong demand for self-storage space.

Rent Trends

This year, asking rents for climate-controlled and non-climate-controlled space will rise 3.3 percent to $1.53 per square foot and $1.16 per square foot, respectively. Last year, rent for climate-controlled facilities climbed 4.0 percent while asking rent in non-climate-controlled units ascended 3.7 percent.
**Economic Trends**

After 66,800 positions were added to payrolls in 2016, Washington, D.C., metro establishments will create 55,000 jobs this year, a 1.7 percent employment expansion. Steady job growth will push the median household income up 2.8 percent in 2017 to $99,100 annually.

**Household Trends**

An influx of housing additions will benefit the self-storage market in the Washington, D.C., metro area. More than 15,700 apartments are stated for completion this year, up from the 13,300 units completed in 2016. Single-family home construction will dip marginally this year, with 13,100 homes on track for delivery.

**Vacancy Trends**

Healthy employment growth and strong multifamily demand will reduce vacancy 80 basis points in 2017 to 10.5 percent. In the previous year, the vacancy rate plummeted 110 basis points in Suburban Virginia amid elevated demand for self-storage space.

**Rent Trends**

Suburban Virginia will boast the highest rents in the South Atlantic region this year as rent in climate-controlled units rises 2.3 percent to $2.10 per square foot and rent in non-climate-controlled facilities rises 2.6 percent to $1.86 per square foot. Last year, rent climbed 0.9 percent in climate-controlled space and 1.7 percent in non-climate-controlled units.

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* Forecast

Vacancy and Rent Sources: REIS Services, LLC
Economic Trends

Establishments in West Palm Beach will create 15,200 positions this year, a 2.5 percent expansion in payrolls. Growth in employment, particularly in higher-paying jobs, will contribute to a 4.3 percent increase in median household income to $61,600 annually. In 2016, employers hired 7,600 workers and median income rose 4.2 percent.

Household Trends

Both single-family and multifamily home construction will increase significantly in 2017. The number of single-family homes will rise 32.6 percent from last year as 3,500 homes are completed. Multifamily construction will more than double from 2016, with 4,500 apartments slated for delivery.

Vacancy Trends

Last year, strong demand for self-storage space slashed vacancy 180 basis points. This year, mounting supply pressures will outstrip demand, placing upward pressure on vacancy. The vacancy rate will tick up 30 basis points to 8.0 percent in 2017.

Rent Trends

In 2017, rents for climate-controlled units will rise 4.0 percent to $1.73 per square foot while rent for non-climate-controlled space will climb 3.3 percent to $1.39 per square foot. Last year, asking rent for climate-controlled units increased 4.4 percent while rent for non-climate-controlled space rose 3.1 percent.
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Statistical Summary Note: Metro-level data are year-end figures and are based on the most up-to-date information available as of February 2017. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Sources: Marcus & Millichap Research Services; Bureau Labor Statistics; Economy.com; Moody’s Analytics; CoStar Group, Inc.; REIS Services, LLC.; U.S. Census Bureau.
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